

A Letter From Administrator Barreto Regarding the \$750,000 Limit for 7(a) Loans-

The President's economic stimulus package passed last year has generated an unprecedented level of demand from small business concerns for SBA-guaranteed loans. To date, during fiscal year 2004, SBA's 7(a) loan program is running at 40% ahead of the number of loans approved, and 45% ahead of dollars approved, at this same point in time during last year's record breaking year. Accordingly, SBA is implementing a maximum loan size of \$750,000 on regular 7(a) loans approved on or after January 8, 2004 in order to provide assistance to the maximum number of small businesses. I took a similar action in fiscal year 2003, establishing a maximum loan size of \$500,000, and previous Administrators also took similar action in 1997 and 1995 when faced with comparable circumstances. The \$750,000 limit should allow SBA to provide continuing, uninterrupted financial assistance. So far, this fiscal year, 95% of the small business owners seeking 7(a) assistance have been funded within the \$750,000 limit.

The \$750,000 is the gross amount of a loan or loans to a small business and its affiliates that may be approved under the 7(a) program during fiscal year 2004. SBA will not guarantee a loan where the gross amount of the loan exceeds \$750,000 while this Policy Notice is in effect. SBA-guaranteed loans to the same borrower or an affiliated business may only be approved when the gross amount of all loans to that borrower and its affiliates during fiscal year 2004 does not exceed \$750,000. 7(a) loans already made in fiscal year 2004 are to be included in calculating such gross amount.

So that the Agency makes the best use of its available 7(a) funds, District Offices should encourage 7(a) lenders to take advantage of the Certified Development Company Program (504 Program) where the small business' financing needs qualify for funding under the 504 program. The 504 program is not subject to the \$750,000 loan size limitation. Lenders should be encouraged to use the 504 program to finance eligible acquisitions of real estate, machinery, and equipment, combined with a companion 7(a) loan for other needs.

Lenders should be instructed to direct questions to the local SBA field office. (North Florida District Office (904) 443-1900).

Hector V. Barreto
Administrator

Insert taken from SBA Policy Notice 5000-902, "\$750,000 Limit for 7(a) Loans"

**SBA North Florida District Office: 7825 Baymeadows Way, Suite 100B, Jacksonville, FL 32256-7504
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Loan Reports For North Florida as of December 31, 2003

Top 15 7(a) Lenders by Number of Loans Made for FY 2004 As of December 31, 2003

Lender Name	Number of Loans	Dollar Amount
BANK OF AMERICA, NATIONAL ASSOCIATION	119	\$3,406,900.00
CAPITAL ONE, FEDERAL SAVINGS BANK	41	\$2,480,000.00
INNOVATIVE BANK	29	\$205,000.00
BANCO POPULAR NORTH AMERICA	24	\$4,595,100.00
CIT SMALL BUSINESS LENDING CORPORATION	17	\$9,628,200.00
BUSINESS LOAN CENTER, LLC	8	\$5,568,000.00
FIRST COAST COMMUNITY BANK	6	\$3,713,800.00
COMERICA BANK	6	\$3,201,800.00
BANKFIRST	5	\$978,000.00
WHITNEY NATIONAL BANK	5	\$659,000.00
CNB NATIONAL BANK	5	\$754,000.00
BANK OF PENSACOLA	5	\$925,000.00
FIRST FEDERAL BANK OF NORTH FLORIDA	5	\$1,761,000.00
LIBERTY NATIONAL BANK	4	\$1,374,000.00
CENTERBANK OF JACKSONVILLE, N.A.	4	\$508,500.00

504 Lenders by Number of Loans Made for FY 2004 As of December 31, 2003

Lender	No. of Loans	Dollars
FLORIDA FIRST CAPITAL FINANCE CORPORATION, INC.	12	\$3,254,000.00
JACKSONVILLE ECONOMIC DEVELOPMENT COMPANY, INC.	11	\$3,502,000.00
BUSINESS DEVELOPMENT CORPORATION OF NORTHEAST FLORIDA, INC.	4	\$1,695,000.00
FLORIDA BUSINESS DEVELOPMENT CORPORATION	4	\$2,713,000.00
ST. PETERSBURG CERTIFIED DEVELOPMENT CORPORATION	2	\$631,000.00
TOTAL:	33	\$11,795,000.00

North Florida District Office
Loan Activity by County for FY 2004
As of December 31, 2003

County	Number of Loans	Dollar Amount
ALACHUA	13	\$1,370,000.00
BAY	6	\$1,594,800.00
BRADFORD	1	\$107,000.00
CITRUS	6	\$694,000.00
CLAY	8	\$1,727,000.00
COLUMBIA	1	\$1,333,000.00
DUVAL	56	\$10,152,640.00
ESCAMBIA	14	\$2,572,800.00
FLAGLER	6	\$308,000.00
HERNANDO	13	\$1,426,800.00
HOLMES	1	\$50,000.00
LAKE	9	\$2,014,000.00
LEON	10	\$2,291,000.00
LEVY	3	\$175,000.00
MARION	6	\$1,605,000.00
NASSAU	8	\$2,334,300.00
OKALOOSA	6	\$1,492,000.00
ORANGE	100	\$16,904,100.00
PUTNAM	2	\$250,000.00
SANTA ROSA	6	\$1,192,000.00
SEMINOLE	40	\$7,277,100.00
ST. JOHNS	14	\$4,333,000.00
SUWANNEE	3	\$338,000.00
TAYLOR	1	\$100,000.00
VOLUSIA	22	\$4,487,200.00
WAKULLA	1	\$5,000.00
WALTON	2	\$125,000.00
WASHINGTON	1	\$35,000.00
TOTAL:	359	\$66,293,740.00